

NEWS FROM THE BUSINESS MANAGER
Iowa District West Congregation's Mission Receipts



<u>For the month ending December 2010</u>	
Anticipated Amount	\$ 150,000
Actual Receipts	\$ 169,554
<u>Fiscal Year-to-date receipts</u>	
Anticipated Amount	\$1,650,000
Actual Receipts	\$1,593,741
Over (under) anticipated amount	\$ (56,259)
<u>Use of Mission Receipts</u>	
Remitted to Synod (43%)	\$ 685,445
Balance for District programs/operations	\$ 908,296
Total Receipts	\$1,593,741
<u>Mission Receipts Compared With Last Year</u>	
Year-to-date 2010	\$ 1,593,741
Year-to-date 2009	\$ 1,617,644
Over (under) last year	\$ (23,903)

Lutheran Church Extension Fund

The mission of Lutheran Church Extension Fund is to provide opportunity to make funds and services available in support of the Great Commission through The Lutheran Church - Missouri Synod.

As of December 2010, 997 investments in Iowa District West totaled \$29,947,591. Those investments are providing opportunity for 56 loans totaling \$10,539,930 plus commitments totaling nearly \$1,322,240. LCEF puts invested dollars to work in mission and ministry right here in Iowa District West.

If you are interested in investing in the ministry of LCEF or if you have questions on the loans and services provided to our congregations, please contact Carole White. **Come, Join the Ministry!**



**MAKING A
DIFFERENCE
IN THINGS
ETERNAL**

Pastors and Church Secretaries: How about including a brief note about LCEF in your church newsletter or bulletin? Please use the following short paragraph—thank you!



Begin a Family Emergency Fund

Three to six months of expenses is a good goal to strive for in establishing an emergency fund. Consider opening an LCEF Family Emergency StewardAccount today to equip you to handle those unexpected expenses that crop up at the most inconvenient times. Just \$25 a month is all you need to begin your journey toward financial security, while supporting the ministry of LCEF. Contact Carole White (877-439-5233, carole.white@lcef.org) or visit www.lcef.org for more information.

Monthly Mission Minute / Stewardship Spark

Did you know that your congregational mission dollars support the District budget in a variety of mission and ministry areas? The 2010 budget includes \$128,000 for chaplaincy services. This includes \$42,000 of ministry expenses for Rev. James Brammeier in Des Moines and \$86,000 of ministry expenses for Rev. Steven Benson in Sioux City.

Financial Quick Notes

- 2011 Mileage Rate: **51 cents** per mile for all business miles driven (see details on next page).
- New receipt vouchers were mailed mid-January. Please use these for remittances from February 1, 2011-January 20, 2012. Receipts for non-budgetary agencies (for example, Armed Forces, Camp Okoboji, Lutheran Family Service, Lutherans For Life and other Lutheran ministries) should be sent directly.
- Need a W-4 or other IRS form quickly? Several forms are in the Treasurer's Manual, but you also can download the current forms directly from the IRS website. Go to www.irs.gov/formspubs/index.html. As the files are in PDF format, you will need Adobe Acrobat Reader which is available at www.adobe.com.
- Need a Form I-9? Find the U.S. Citizenship and Immigration Services website at www.uscis.gov/files/form/i-9.pdf All church staff including pastors needs a copy on file.
- The Iowa minimum wage remains at \$7.25. Posters with all the state and federal information can be picked up at the District Office, obtained at your regional Iowa Workforce Center or downloaded at www.iowaworkforce.org/labor/wage.htm.
- Tax calendar: January 31 deadline...
Remember to issue W-2 forms to each employee
Issue Form 1099-Misc to all independent contractors/self-employed individuals
(those that earned \$600 or more during the year 2010; because of the new healthcare act, 1099-Misc forms are required for all vendors beginning in 2012).
- Complete Employers Quarterly Federal Tax Return Form 941 (be sure to proof the 941 totals with W-3 summary statement).
- Tax calendar: February 28 deadline...
Complete Copy A of each 2010 W-2 wage and tax statement and W-3 summary transmittal to Social Security Administration (mail to address on summary form or file electronically).
- Complete Copy A of each 2010 form 1099-Miscellaneous Income and 1096 Transmittal form to IRS (mail to address on summary form or file electronically).
- IRS makes reporting health care costs optional on Form W-2 in 2011; required effective 1/1/2012.
- Check with your pastor to confirm the 2011 Biennial Report for an Iowa Non Profit Corporation has been completed. More details online at <http://www.sos.state.ia.us/business/nonprofits/index.html>.
- Complete 2010 State of Iowa Verified Summary of Payments (VSP) to the Department of Revenue. File online at www.state.ia.us/tax. Questions contact 800.367.3388.



Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010

In late December 2010, the government reduced the employee's share of withholding tax for Social Security from 6.2% to 4.2%. The SS wage base is \$106,800, unchanged from 2010. The EMPLOYEE Medicare rate remains 1.45%; wage base remains unlimited. The EMPLOYERS Social Security and Medicare tax remain unchanged. See IRS Notice 1036 at http://www.irs.gov/pub/newsroom/notice_1036.pdf?portlet=7 for more detailed information.

2011 IRS Mileage Rates

Beginning January 1, 2011, the standard mileage rate used to reimburse workers' business miles under an accountable reimbursement arrangement will be 51 cents per mile (1 cent increase from the current rate of 50 cents). The accountable reimbursement is the most favorable because the congregation does not have to report the reimbursement as compensation paid to the employee on Form W-2. The employee should document the amount, time and place, business purpose, and business relationship. Employees should substantiate miles at least every 60 days. The standard medical and moving mileage rate has likewise increased to 19 cents per mile (from 16.5 cent). The rate used for charitable deduction purposes, set by statute rather than IRS, remains at 14 cents per mile.

Churches may choose to reimburse a lower rate without any tax consequences. If the church chooses to reimburse at a rate higher than the IRS approved rates, the church must add the excess amount to the employee's taxable income. To read the complete IRS announcement, go online to: <http://www.irs.gov/newsroom/article/0,,id=232017,00.html>.



LCMS Statistical Report

Now is the time to complete the 2010 Congregation Statistics Report. They were sent from Synod early January and are due February 28. The report includes membership data, gains/losses, and education enrollment figures. Not only is the form necessary for Synod statistics, but the number reported for confirmed membership is also used for convention assessments.

Substantiation of Contributions

A donor cannot claim a tax deduction for any single contribution of \$250 or more unless the donor obtains a written acknowledgement. The Pension Protection Act of 2006 amended the tax code to require all cash contributions, regardless of amount, to be substantiated by either a bank record (such as a cancelled check) or a written communication from the church. Churches should print contribution statements shortly after the first of the year. The statements should include: "No goods or services were provided to the donor other than intangible religious benefits." Publication 1771 issued by the IRS explains the proper documentation necessary for recognizing cash and non-cash gifts. The document can be found at www.irs.gov/pub/irs-pdf/p1771.pdf. If you receive non-cash contributions over \$250, the value of the item/property donated should not be stated in the acknowledgement, only a description. For complete details, consult the Congregational Treasurer's Manual, chapter 10, section 10.500.

Biennial Report for an Iowa Non Profit Corporation

It is time to complete the 2011 Biennial Report for an Iowa Non Profit Corporation. The forms were sent to all congregations in early January. This form can be completed in minutes online at www.sos.state.ia.us and click on "Online Filing" and "Biennial Report." Enter your ID number and password and make the necessary changes regarding President, Secretary, Treasurer and registered agent. The report must be filed by April 1, 2011.

If the church has not received a form, it is possible your church is no longer incorporated or the status has expired. A simple way to verify is to go to the Iowa Secretary of State website and do a search for your congregation (http://www.sos.state.ia.us/search/corp/corp_search.asp). It should be active and list the current registered agent. A registered agent can be any staff person, attorney, church council leader, or other responsible member. The Iowa Secretary of State's office (<http://www.sos.state.ia.us/business/nonprofits/index.html>) has more information about this topic. The office of Matt Schultz at the Secretary of State's Office can be contacted Monday-Friday 8:00 a.m. - 4:30 p.m. at 515-281-5204 or email sos@sos.state.ia.us.

"Why Incorporation?" The LCMS Congregational Treasurer's Manual, Chapter 13 ... states: "Incorporation is a method by which individuals unite under a common purpose and thereby acquire certain advantages and protections. Every congregation of the Synod should be incorporated. The value of corporate status lies in the protection from legal liability it affords for the individuals who belong to the organization. Without this status, the members are individually responsible for acts of the organization that might cause injury to someone or for defaults by the organization such as on loans." <http://www.lcms.org/ca/www/ctm/media/10%20CTM%2013.pdf>